

## 2400 Department of Managed Health Care

The mission of the Department of Managed Health Care is to help California consumers resolve problems with their Health Maintenance Organizations (HMOs) and to ensure a better, more solvent and stable managed health care system through:

- Administration and enforcement of California's HMO patient rights laws.
- Operating the 24-hour-a-day HMO Help Center.
- Licensing and overseeing all HMOs in the state.

### 3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2007-08	2008-09	2009-10	2007-08*	2008-09*	2009-10*
30 Health Plan Program	215.5	219.3	240.2	\$44,152	\$44,317	\$47,759
50.01 Administration	78.1	79.8	79.8	10,084	10,163	10,266
50.02 Distributed Administration	-	-	-	-10,084	-10,163	-10,266
<b>TOTALS, POSITIONS AND EXPENDITURES (All Programs)</b>	<b>293.6</b>	<b>299.1</b>	<b>320.0</b>	<b>\$44,152</b>	<b>\$44,317</b>	<b>\$47,759</b>
<b>FUNDING</b>				<b>2007-08*</b>	<b>2008-09*</b>	<b>2009-10*</b>
0933 Managed Care Fund				\$43,945	\$44,108	\$47,549
0995 Reimbursements				207	209	210
<b>TOTALS, EXPENDITURES, ALL FUNDS</b>				<b>\$44,152</b>	<b>\$44,317</b>	<b>\$47,759</b>

### LEGAL CITATIONS AND AUTHORITY

#### DEPARTMENT AUTHORITY

Health and Safety Code Sections 1340-1399.64 inclusive; California Code of Regulations, Title 28, Sections 1300.43-1300.826.

### MAJOR PROGRAM CHANGES

- An increase of \$1.4 million special fund and four positions for health plan survey workload growth.
- An increase of \$553,000 special fund and five positions for workload increases associated with the review of health plan transfer proposals.
- An increase of \$465,000 special fund and three positions for legal enforcement workload growth.
- An increase of \$427,000 special fund and four positions for workload growth in the HMO Help Center.
- An increase of \$355,000 special fund and five positions for increased workload associated with the regulation of discount health plans.

### DETAILED BUDGET ADJUSTMENTS

	2008-09*			2009-10*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
<b>Workload Budget Adjustments</b>						
<b>Workload Budget Change Proposals</b>						
• Health Plan Survey Workload	\$-	\$-	-	\$-	\$1,361	3.8
• Block Transfer Filings	-	-	-	-	553	4.8
• Enforcement Workload	-	-	-	-	465	2.8
• HMO Consumer Complaint Workload	-	-	-	-	427	3.8
• Discount Health Plan Regulation	-	-	-	-	355	2.8
• Claims Payment Processing	-	-	-	-	-	2.8
<b>Totals, Workload Budget Change Proposals</b>	<b>\$-</b>	<b>\$-</b>	<b>-</b>	<b>\$-</b>	<b>\$3,161</b>	<b>20.8</b>
<b>Other Workload Budget Adjustments</b>						
• Various Baseline Adjustments	\$-	\$65	-	\$-	\$345	-
<b>Totals, Other Workload Budget Adjustments</b>	<b>\$-</b>	<b>\$65</b>	<b>-</b>	<b>\$-</b>	<b>\$345</b>	<b>-</b>
<b>Totals, Workload Budget Adjustments</b>	<b>\$-</b>	<b>\$65</b>	<b>-</b>	<b>\$-</b>	<b>\$3,506</b>	<b>20.8</b>

\* Dollars in thousands

## 2400 Department of Managed Health Care - Continued

	2008-09*			2009-10*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Totals, Budget Adjustments	\$-	\$65	-	\$-	\$3,506	20.8

### PROGRAM DESCRIPTIONS (Program Objectives Statement)

#### 30 - HEALTH PLAN PROGRAM

The Health Plan Program's objective is to assure the accessibility and availability of medically necessary health care delivered to the public with appropriate quality-of-care oversight and through financially sound managed care plans. Through focused collaboration and coordination, these programs advance sound health policy and "The Right Care at the Right Time" for all Californian enrollees. The program licenses health care service plans, conducts routine and non-routine financial and medical surveys, and operates a consumer services toll-free complaint line (1-888-HMO-2219). Within this program, the Office of the Patient Advocate helps educate consumers about their rights and responsibilities.

#### 50 - ADMINISTRATION

The Administration Program provides services essential for the administration of the Department and its programs, including executive, administrative, and information technology support.

### DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)

		2007-08*	2008-09*	2009-10*
<b>PROGRAM REQUIREMENTS</b>				
<b>30</b>	<b>HEALTH PLAN PROGRAM</b>			
	<b>State Operations:</b>			
0933	Managed Care Fund	\$43,945	\$44,108	\$47,549
0995	Reimbursements	207	209	210
	<b>Totals, State Operations</b>	<b>\$44,152</b>	<b>\$44,317</b>	<b>\$47,759</b>
<b>ELEMENT REQUIREMENTS</b>				
<b>30.10</b>	<b>Health Care Service Plans</b>	<b>\$41,732</b>	<b>\$41,860</b>	<b>\$45,104</b>
	<b>State Operations:</b>			
0933	Managed Care Fund	41,525	41,651	44,894
0995	Reimbursements	207	209	210
<b>30.20</b>	<b>Office of Patient Advocate</b>	<b>\$2,420</b>	<b>\$2,457</b>	<b>\$2,655</b>
	<b>State Operations:</b>			
0933	Managed Care Fund	2,420	2,457	2,655
<b>TOTALS, EXPENDITURES</b>				
	State Operations	44,152	44,317	47,759
	<b>Totals, Expenditures</b>	<b>\$44,152</b>	<b>\$44,317</b>	<b>\$47,759</b>

### EXPENDITURES BY CATEGORY (Summary By Object)

	1 State Operations			Expenditures		
	2007-08	2008-09	2009-10	2007-08*	2008-09*	2009-10*
<b>PERSONAL SERVICES</b>						
Authorized Positions (Equals Sch. 7A)	293.6	313.0	313.0	\$19,781	\$21,423	\$21,852
Total Adjustments	-	-	22.0	-	4	1,524
Estimated Salary Savings	-	-13.9	-15.0	-	-954	-1,047
<b>Net Totals, Salaries and Wages</b>	<b>293.6</b>	<b>299.1</b>	<b>320.0</b>	<b>\$19,781</b>	<b>\$20,473</b>	<b>\$22,329</b>
Staff Benefits	-	-	-	6,250	6,674	7,416
<b>Totals, Personal Services</b>	<b>293.6</b>	<b>299.1</b>	<b>320.0</b>	<b>\$26,031</b>	<b>\$27,147</b>	<b>\$29,745</b>
<b>OPERATING EXPENSES AND EQUIPMENT</b>						
				\$18,121	\$17,170	\$18,014
<b>TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)</b>				<b>\$44,152</b>	<b>\$44,317</b>	<b>\$47,759</b>

\* Dollars in thousands

## 2400 Department of Managed Health Care - Continued

### DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2007-08*	2008-09*	2009-10*
<b>0933 Managed Care Fund</b>			
APPROPRIATIONS			
001 Budget Act appropriation	\$40,853	\$41,588	\$44,894
Allocation for employee compensation	692	74	-
Adjustment per Section 3.60	-57	-11	-
Adjustment per Section 15.25	38	-	-
002 Budget Act appropriation	2,394	2,456	2,655
Allocation for employee compensation	28	1	-
Adjustment per Section 3.60	<u>-2</u>	<u>-</u>	<u>-</u>
<b>Totals Available</b>	<b>\$43,946</b>	<b>\$44,108</b>	<b>\$47,549</b>
Unexpended balance, estimated savings	<u>-1</u>	<u>-</u>	<u>-</u>
<b>TOTALS, EXPENDITURES</b>	<b>\$43,945</b>	<b>\$44,108</b>	<b>\$47,549</b>
<b>0995 Reimbursements</b>			
APPROPRIATIONS			
Reimbursements	<u>\$207</u>	<u>\$209</u>	<u>\$210</u>
<b>TOTALS, EXPENDITURES, ALL FUNDS (State Operations)</b>	<b>\$44,152</b>	<b>\$44,317</b>	<b>\$47,759</b>

### FUND CONDITION STATEMENTS

	2007-08*	2008-09*	2009-10*
<b>0933 Managed Care Fund <sup>s</sup></b>			
BEGINNING BALANCE	\$8,441	\$10,309	\$1,647
Prior year adjustments	<u>1,622</u>	<u>-</u>	<u>-</u>
Adjusted Beginning Balance	\$10,063	\$10,309	\$1,647
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
125700 Other Regulatory Licenses and Permits	34,688	32,327	47,231
142500 Miscellaneous Services to the Public	2	1	1
150300 Income From Surplus Money Investments	1,289	250	282
161400 Miscellaneous Revenue	5	-	-
161900 Other Revenue - Cost Recoveries	1,230	800	800
164300 Penalty Assessments	7,019	13,100	-
Transfers and Other Adjustments:			
TO0313 To Major Risk Medical Insurance Fund per Chapter 607, Statutes of 2008 Section 12(B)	-	-10,000	-
TO8034 To Medically Underserved Account for Physicians, Health Professions Education Fund per Chapter 607, Statutes of 2008 Section 12(A)	-	-1,000	-
Total Revenues, Transfers, and Other Adjustments	<u>\$44,233</u>	<u>\$35,478</u>	<u>\$48,314</u>
Total Resources	\$54,296	\$45,787	\$49,961
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0840 State Controller (State Operations)	42	32	-
2400 Department of Managed Health Care (State Operations)	<u>43,945</u>	<u>44,108</u>	<u>47,549</u>
Total Expenditures and Expenditure Adjustments	<u>\$43,987</u>	<u>\$44,140</u>	<u>\$47,549</u>
FUND BALANCE	\$10,309	\$1,647	\$2,412
Reserve for economic uncertainties	10,309	1,647	2,412
<b>3133 Managed Care Administrative Fines and Penalties Fund <sup>s</sup></b>			

\* Dollars in thousands

## 2400 Department of Managed Health Care - Continued

	2007-08*	2008-09*	2009-10*
BEGINNING BALANCE	-	-	\$1,510
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
150300 Income From Surplus Money Investments	-	\$10	10
164300 Penalty Assessments	-	1,500	1,500
Transfers and Other Adjustments:			
TO0313 To Major Risk Medical Insurance Fund per Item 4280-112-3133, Budget Act of 2009	-	-	-500
TO8034 To Medically Underserved Account for Physicians, Health Professions Education Fund per Chapter 607, Statues 2008 Section 12(a)	-	-	-1,000
Total Revenues, Transfers, and Other Adjustments	-	\$1,510	\$10
Total Resources	-	\$1,510	\$1,520
FUND BALANCE	-	\$1,510	\$1,520
Reserve for economic uncertainties	-	1,510	1,520

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